

SPECIAL AGENDA

BUILDING COMMITTEE

December 30, 2002
10:30 A.M. Senate Appropriations Room
3rd Floor Capital

STATE ADMINISTRATIVE BOARD

December 30, 2002
11:00 A.M. Senate Appropriations Room
3rd Floor Capital

RECOMMENDATION FOR APPROVAL OF LEASE

1. The Department of Management and Budget requests the approval of the lease for a Joint Headquarters for Michigan State Police and Military and Veteran Affairs. The approval is requested with lease execution contingent upon
 1. Review of lease by Judge Brown as stipulated in Ingham County Circuit Court Case No. 02-1892-AZ,
 2. Attorney General approval of lease as to appropriate legal form, and
 3. Attorney General approval of any lease boiler plate language changes as required by MCL 18.1237(5)

This building will be located at the north east corner of Kalamazoo and Grand in Lansing, Michigan.

Lease term will be for 405,000 square foot building with a base lease cost of \$9,800,000 annually for a 17-year term and a total lease cost of \$166,600,000. This final cost is less than that proposed and approved by Joint Capital Outlay Committee of 490,000 square feet for 25-year term with a total cost of \$217,000,000.

The lease will include a purchase option for \$1.00 at the end of the 17 years should the state wish to exercise the option with the approval of the legislature. It will also have buyout option at 10 years and the unamortized balance of the bonds.